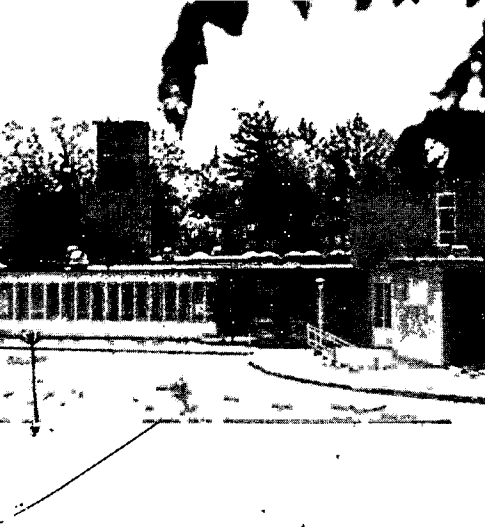


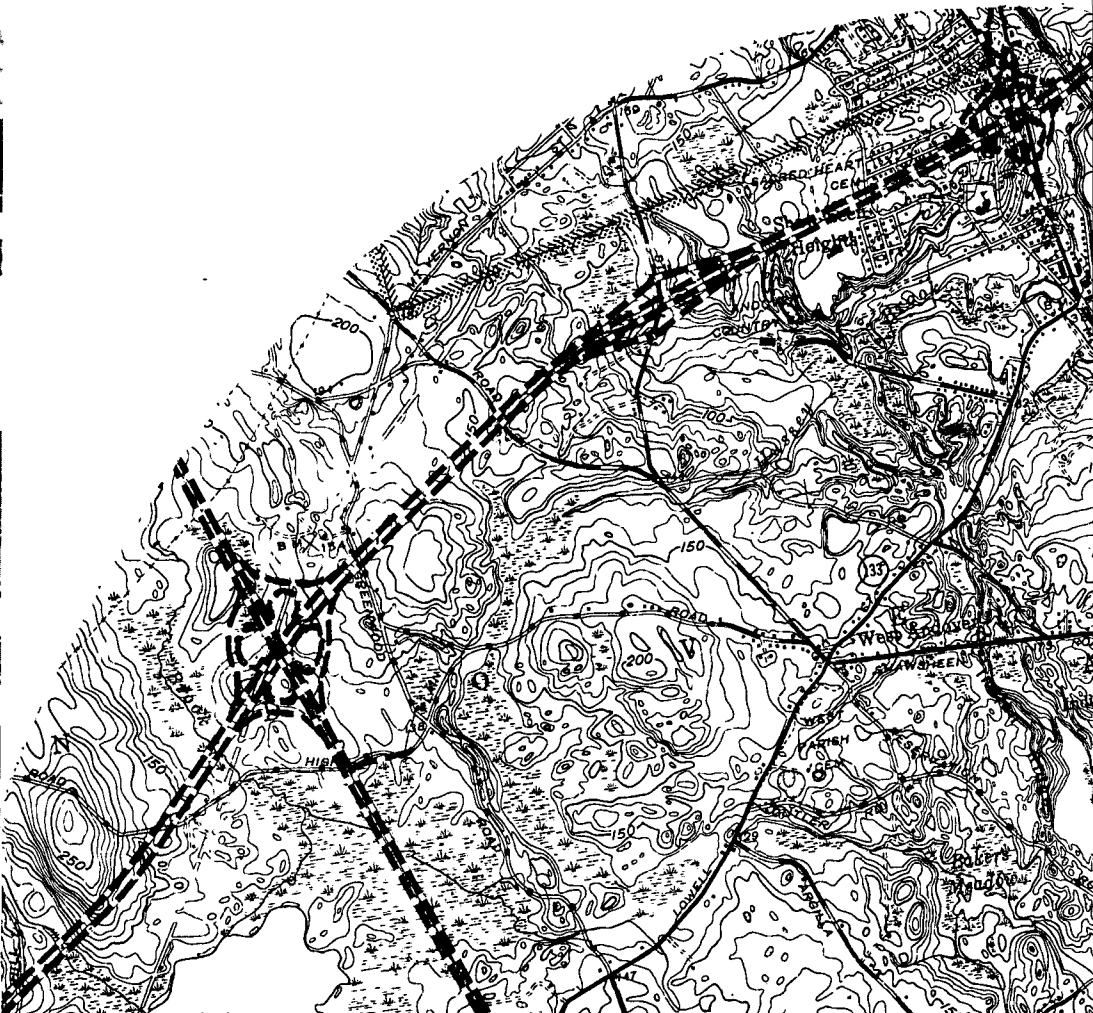
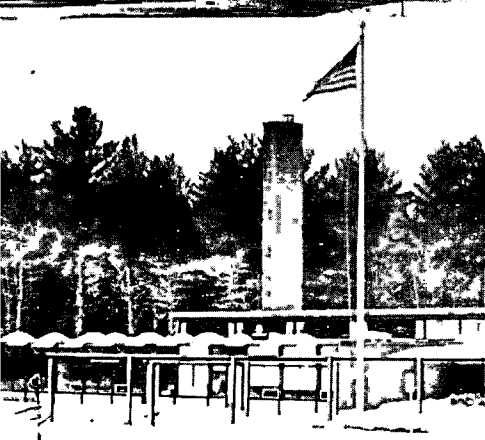
Andover, Mass. -- Redevelopment



NEW HOUSING IN

Andover

DO WE GAIN OR LOSE ?



REPORTED BY THE COMMITTEE FOR THE STUDY OF MUNICIPAL COSTS IN NEW HOUSING

NEW HOUSING IN ANDOVER:
DOES THE TOWN GAIN OR LOSE?

Report to the Selectmen of the
Town of Andover, Massachusetts,
of the Special Committee for the
Study of New Housing and Its
Relation to the Costs of Town
Government in Andover

Chairman - Henry M. Wolfson
Vice Chairman - William B. S. Leong
Secretary - Arthur L. Harper, Jr.
Members of the Committee -

Arthur W. Ermer
Robert M. Henderson

February 27, 1961

TOWN OF ANDOVER
COMMONWEALTH OF MASSACHUSETTS

February 27, 1961

Board of Selectmen
Town Hall
Andover, Mass.

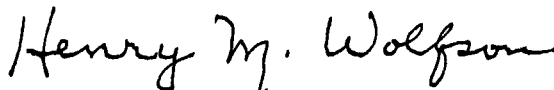
Gentlemen:

The Committee appointed by Moderator Charles G. Hatch, pursuant to the directives of Article 37 of the 1960 Town Warrant, has completed its study of "what new housing is costing and may be expected to cost the Town". The attached report, embodying the findings and conclusions of the Committee, has the approval of all five members.

Every effort was directed toward making the study and the report as unslanted and objective as possible. The mere fact that the Committee conclusions are exactly the opposite of what the members anticipated they would be indicates that, to a major degree, this objectivity has been achieved.

The Committee hopes that the report will be as helpful to the Town, in guiding future policy, as the study was instructive to those who made it.

Respectfully submitted,



HENRY M. WOLFSON

for

the Committee for the Study of
Municipal Costs Arising from
New Housing

| | |
|---------------|--|
| Chairman | - Henry M. Wolfson |
| Vice-Chairman | - William B. S. Leong |
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GRATEFUL ACKNOWLEDGMENT

This Committee wishes to express grateful acknowledgment to the Town Manager of Andover and to the various municipal departments, especially the Education Department, the Assessor's office and the Public Works Department for supplying statistical data necessary for this report, and to the Andover League of Women Voters for collecting and sampling statistical data. Without their assistance, this report would not have been possible.

This Committee also wishes to thank Professor Roland B. Greeley of the planning firm of Adams, Howard and Greeley, present consultants for Andover, and to Mr. Daniel G. Wheeler of Cabot, Cabot & Forbes, Inc. for their helpful and invaluable comments on the research methodology and final review of the report.

Lastly, the Committee is also appreciative of the opportunity for a general discussion with the various municipal departments, the Planning Board and the Industrial Commission. Their constructive comments and suggestions have been included in the report.

PREFACE

Members of the Committee appreciate the opportunity of undertaking this study of the impact of new residential construction on the Town's expenditures. At the same time, the Committee deems it its duty to prepare a fair and conscientious report, being aware of its importance to Andover's policy making bodies, namely; The Town Meeting, Board of Selectmen and Planning Board. The report is addressed to broad problems of policy rather than specific regulatory measures and budgetary programs in support of policy decisions. It must be admitted that, at the beginning of the study, most of the Committee members thought that they would find that the facts would support their pre-conceived opinions that Andover was not profiting by new residential construction, and that it was a costly burden to the Town. The research findings first proved a mild shock and then a pleasant surprise to them. Though the work has been time-consuming, it has been, nevertheless, personally rewarding as it is always good to be rid of one's misconceptions.

In writing this report, the Committee has made every effort to translate statistical records and cost computations into everyday language. Nevertheless, it is felt that it is still possible that a quick and cursory reading of the report may lead to erroneous interpretations. Certainly, a careful and thorough reading will help realize the full and correct import of the Committee's study.

I. Summary of Conclusions

1. New homes in Andover not only are paying their share of the tax burden, but are contributing a tax surplus to the Town.
2. Although the houses completed between 1955 and 1960 have fewer children of school age per home than those built in years before 1955, the difference is not great. A substantial portion of increased school costs arises from increased school population in homes built prior to 1955.
3. Andover is a community with a New England academy town atmosphere. It is still relatively rural and is attractive to medium and high cost housing. Andover can look forward to high revenues from new homes, assuming the present trend is continued. Proper measures must be taken to prevent undesirable commercial or industrial development which might lessen the Town's attractiveness.
4. The Town's tax surplus mentioned above has been applied in the past to help steady the tax rate against rising municipal costs, wages and salaries. If it were applied against such capital expenditures as can be assessed against the new homes, it would be more than adequate to amortize them over a 20-year period with interest based upon a declining balance.

II. Introduction

At its Annual Town Meeting in the spring of 1960, the Town of Andover decided it must come to grips with a much debated issue which, for several years, had worried the Town's people. That issue was, "Is our town gaining or losing as the result of the increase in home building?"

From 1940 to 1950, Andover increased by 1,360 people. From 1950 to 1960, the increase was 3,441. Thus the decade of the fifties brought with it a rate of growth 2.5 times that of the previous decade.

Pressing hard on the heels of Andover's population explosion marched a host of difficult problems for the Town's government, actions on which resulted in annual increases in the tax rate. It seemed that over-night new schools were required, with their accompanying high costs of maintenance and operation. New personnel were necessary. New and heavier equipment was needed, and once purchased, was soon worn out by the burden of maintaining streets and neighborhoods, including many new ones, that old timers in the Town had never heard of. New-comers were alarmed to see their real estate taxes spiral upward two or three years after having settled in Andover where they were originally attracted, in part, by the low tax rates.

In such situations, it is human to hunt for a scapegoat. It seemed that new housing was resulting in burgeoning school expenses and other municipal costs. What was not clear was whether, in Andover's case, new housing was contributing its fair share to the payment of the new expenses.

Impelled by the desire to determine whether Andover's new homes were paying their way, certain citizens petitioned the Board of Selectmen to insert an article to study this problem in the Warrant to be considered at the annual Town Meeting held in March, 1960.

This was Article 37, Andover Town Warrant, 1960 (See Appendix I). In approving it, the Town Meeting directed the Moderator to appoint a committee of five, "to study what new housing is costing, and may be expected to cost the Town, in the way of new or expanded town services and facilities, and the probable effect of such cost upon the tax rate". The Committee was to be made up of an accountant, a lawyer, an engineer, a city planner and one with experience in financial problems. On April 25, 1960 the members of the Committee were appointed by the Moderator and on May 13, 1960 the Committee held its first meeting.

Thereafter, the Committee met frequently for the purpose of discussing and reviewing literature and information relative to the study from sources outside Andover. A research technique was then developed. With the invaluable aid of the League of Women Voters who provided a committee of women to do some of the necessary statistical research, together with the assistance of the Assessor's Office, the Town Manager and the School Department, the Committee was able to obtain necessary basic information upon which to base a report.

In the research into the municipal cost-tax relationship, this Committee has not concerned itself with two important factors responsible for tax increases. They are inflation, which has similar effects on municipal as well as non-municipal spending; and added services such as trash and garbage collection. Both factors are considered as having no bearing on the subject of this report. In addition, the factor of drainage was specifically excluded from the scope of this study by the terms of Article 37.

III. Research and Findings

The Committee examined some available work done by other groups on the same subject. (See Bibliography). Reports made on Framingham, Concord and Peabody were studied because they are Massachusetts communities. Two studies made by the University of Connecticut and a study conducted by the University of North Carolina proved especially useful. Of considerable assistance was a study made by Massachusetts Institute of Technology for the Federal Reserve Bank of Boston with attention directed especially to the New England area. Altogether 20 publications were referred to in determining research methods for this study.

A. Residential Assessment

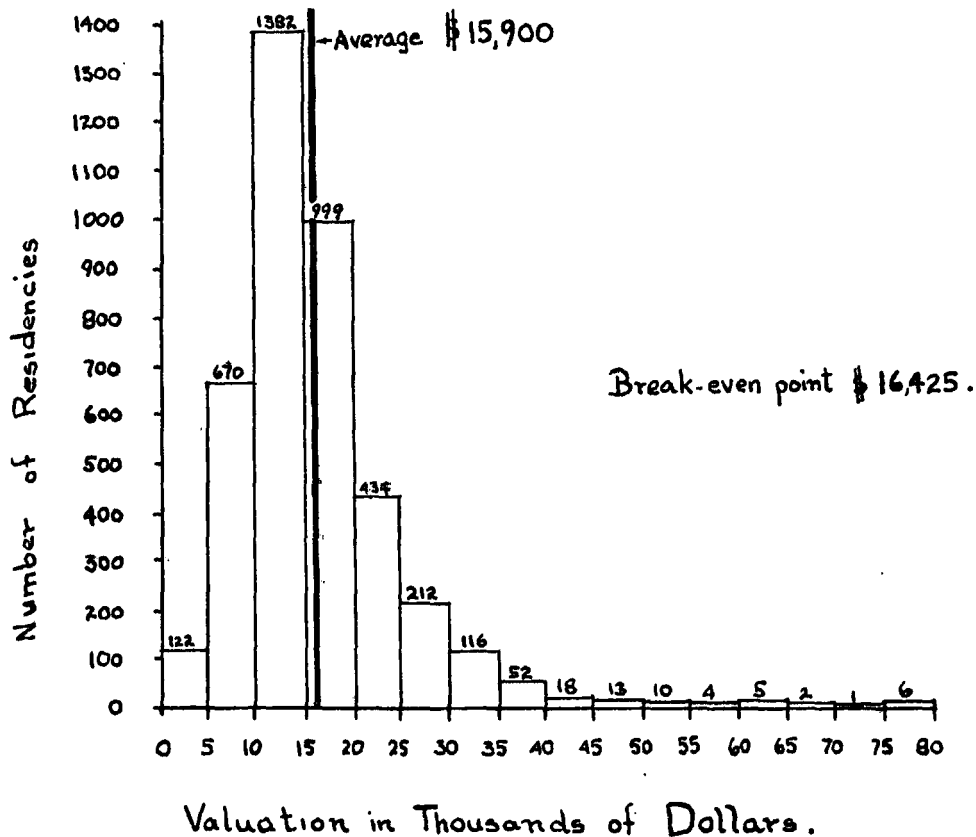
From the data obtained in the Assessor's office, it was found that, as of January 1, 1960, there were 4,046 houses in Andover with a total assessment of \$64,525,000. This compares with a total assessment on commercial, industrial and utility properties of \$13,145,000. For purpose of this study "new" houses are defined as the houses completed between January 1, 1955 and January 1, 1960 and "old" houses, those constructed prior to January 1, 1955. There are now 760 units with a total assessment of \$15,883,000 under the category of new houses.

A random sample was then taken by drawing from the tax rolls every tenth property. This was to determine what the average valuations of the old and the new houses are. In the opinion of qualified statisticians, such a sampling would accurately reflect price range and geographical distribution. An analysis of the

overall data and of this sample indicated that the average assessment of the old houses is \$14,700. At the present tax rate of \$26 per thousand, an average old house produces \$382.20 in tax revenue for the Town.

By comparison, the new house average valuation is \$20,900. At the above tax rate, an average new house produces \$543.40 in tax revenue. This is \$161.20 more tax revenue derived from the average new house than is derived from the average old house. Annually, this totals \$122,512 in revenues in excess of the revenues obtained from an equal number of average old houses.

The 4,046 houses listed on the assessor's books as of January 1, 1960 are distributed in assessed valuation as shown in the graph below:



The average valuation is shown by the heavy solid line. It is \$15,900. The break-even valuation would be 3.3% higher or \$16,425. This is the valuation at which houses would be self-supporting if there were no industry. (to be explained later - page 8) Every house assessed at this figure, on the average, pays its own way, and those assessed below this figure are carried by the surplus tax revenues contributed by the houses assessed above the break-even point and by the revenues obtained from other sources such as industry. It should be borne in mind that these figures are averages only. Some houses assessed below the break-even point may bring in more in tax revenues for the

Town than they cost the Town, and some houses above this valuation may cost more than the tax-revenues obtained. For example, a \$20,000 house with two or three school children is more costly to the Town than a \$15,000 house with no school children.

It is interesting to note that the trend toward medium and high cost housing in Andover in recent years has in no way precluded the construction of moderate and even low cost housing. More than half of the houses built (56%) during the study period are assessed at \$20,000 or less. Almost one-third (32%) are assessed at \$15,000 or less.

Municipal costs can be divided into two general categories:

- A. Annual Operating Costs;
- B. Capital Expenditures.

The former are expenditures for the operation and maintenance of all town departments (Fire, Police, Schools, etc.) including supplies, salaries and wages. The latter include all capital improvements such as new schools, water and sewer lines, fire and police stations, libraries, etc.

B. Annual Operating Costs

With the above information, the Committee proceeded to find out:

1. What portion of the tax revenue from new houses should be allocated to annual operating costs, and
2. What portion of the tax revenue from these houses should be applied to capital expenditures created by the expanding residential construction.

The consensus of the reports studied by the Committee was that the costs for some services were higher for new houses than for old houses, while costs for other services were lower, approximately cancelling each other out. For example, road maintenance costs would be higher per unit in the low density areas, where new houses are most likely to be built, than those thickly settled areas where most old houses are. However, sewer and sidewalk maintenance is virtually absent in new residential areas. Therefore, the operating expenses being approximately the same per housing unit for both old and new houses, the surplus revenues from new houses mentioned above should be allotted to capital expenditures.

This point must be digested very carefully. It does not mean that the Town has such a surplus set aside to apply against capital expenditures required to service these new houses. Actually, the surplus revenues from these homes have been used to help offset the inflationary pressure of material costs, wages and salaries and hold the tax rate steady. Had these new houses not been built, the tax rate would have risen instead of remaining steady for the past three years. In determining whether or not these new houses are paying their own way, these surplus revenues must be credited to them and measured against the capital costs which can be ascribed to them.

C. School Operating Costs

The Andover 1960 cost for education is \$345 per child, according to statistics obtained from the Education Department. As of October 1, 1960, there was a total school population of 3,548 pupils.

Records of the Andover Education Department and the statistical sample taken as described above indicate that the new houses account for 650 pupils, and old houses account for 2,898 pupils. It was found that the new houses had an average of 0.86 school age children per home, while old houses had an average of 0.89. The difference is negligible and, for all practical purposes, nil.

Of interest, in connection with costs of education, are the following data. The school population on October 1, 1955 was 2,532. Since new homes account for only 650 public school pupils, the old houses must account for 366 of the total increase of 1,016 pupils during the study period of five years. More than one-third (36%) of the increase in cost of education during this five-year period arises from the increase in school age children in the houses built prior to this period and not from the new houses.

D. Capital Expenditures

Information from the office of the Town Manager indicated that a new elementary school is now needed in West Andover and plans are being made for construction which will be completed in the next two or three years.

The Town has also programmed construction of roads in West Andover because of this new school, athletic facilities for the high school, a sewer extension in West Andover, a Public Works building on Lewis Street, a possible urban renewal project and the purchase of a new fire truck.

In the more distant future, there may be required an addition to the Junior High School, another elementary school, expansion of play and recreational areas, a new fire station in West Andover, a new police station in the town center, an addition to the library and a recreation center.

The Committee believes that the only items of capital expenditure which can be charged to the five-year period under study are (1) the new elementary school in West Andover, (2) a portion of the cost of a new fire station in West Andover, and (3) road construction required for the new West Andover school. (Part of the new fire station cost should be allocated to housing built during the early 50's and part to new construction from January 1, 1960 to the time the fire station is actually built).

Total expenditures for the foregoing three items will be approximately \$1,150,000. This amount would be amortized over approximately 20 years. This would average an amount of \$74,750 per year in amortization and interest at 3% based on a declining balance.

The surplus available for application against capital expenditures as indicated in Section III, above, is \$122,512 or \$48,000 in excess of the annual amortization and interest on capital expenditures attributable solely to new housing during the five-year study period.

The sewer extension mentioned as a capital improvement is not included in the capital costs for two reasons: (1) the zoning requirements in new residential neighborhoods for lot areas are large enough so that septic systems instead of sewers should be

adequate, (2), if sewers are constructed it is done as a convenience and should be assessed against abutters as a betterment assessment. Two-thirds of the sewer cost is now assessed against abutters.

Some comment should be made with regard to water supply and its distribution system. Discussion with the Town Manager revealed that current distribution facilities will be adequate for a substantial expansion of the residential areas of the town if this expansion takes place at a normal rate. Wherever improvements may be required these will be paid for by the annual appropriation for improvements carried as annual operating costs for a number of years and projected as a continuing annual appropriation in the indefinite future, again unless expansion "explodes" suddenly beyond any anticipated rate.

Current water supply is adequate to meet an increase of 25-35% in residential demand if there is no increase in industrial demand. According to records of the Water Department the recent rate of residential increase is such as to indicate a probable need for more water in about five years of normal weather conditions. Of course, if additional industry comes to Andover, additional water supplies may be needed earlier but this earlier cost should be evaluated with any study which would be made to determine the desirability of having any particular industry in the Town. Earlier in this section it was stated that the excess in revenues received from the new homes exceeded the required average annual sum for amortization and interest by \$48,000. If this were applied to the purchase of additional equipment for expanded water sources, it would pay the amortization and interest charges on an expenditure of \$750,000. This would provide more than 1,000,000 gallons of water per day, more than enough to take care of 1,000 new homes.

This analysis is made assuming, for the sake of simplification, that all changes in the residential distribution system and residential demand for water arise from new homes. However, this is actually not so. Installation of additional bathrooms, dishwashers, washing machines and other modern appliances in older homes increases the demand in these homes also. These increases may give rise to the need for changes in the distribution system to replace or supplement inadequate supply mains. Mr. Wheeler told the Committee of a neighboring town in which per capita water consumption in old homes rose over a period of ten years from 130 gallons to 300 gallons.

IV. Industrial Development

The Committee's study would be superficial and of little value if it ignored the impact of future industrial development upon residential housing. Hence, an analysis of what industry can do for, and what it can do to Andover is necessary.

A. Andover - A Growing Residential Community

It seems obvious to the most casual observer that Andover's greatest assets are its residential qualities, and careful studies bear out this first impression. It is a town of tree-shaded streets,

charming homes, winding trails and large tracts of farm and woodlands. With all this country setting, it is a town within convenient distances of large urban concentrations such as Boston, Lowell and Lawrence, where a large number of its people work. Indeed, those who seek a haven from the traffic, noise, smoke and congestion of the city, and a healthful and pleasant place to live, will find their needs met in Andover.

Up to now, Andover has provided these qualities. But what about the future?

There is every indication that although there are cyclical movements of the population out of and back to city areas, decentralization will continue.

So will Andover's growth, and a goodly share of this growth may come from outside the Commonwealth. According to a study of the population trends by the Greater Boston Economic Committee, Andover will reach a population of 20,200 by 1970. If the medium to high cost housing trend is continued, as it would appear probable, this increase in population will add valuable property to the assessor's rolls.

B. Industrial Opportunity

Andover is served by the Boston & Maine Railroad, four State highways (Routes 28, 114, 125 and 133) and Interstate Route 93, which is open for travel from Stoneham to Methuen. Interstate Route 495, now under construction, will be open for travel in the next two or three years. The two interstate limited access expressways will intersect in West Andover.

The Committee has learned that there is an immediate probability that new industry will wish to come to West Andover in areas near the interstate system. Properly selected and controlled such development can be a tax boon to the Town; otherwise, it can lead to a tax loss, and create a cancerous blight that may spread through large areas of the community. The effects of industrial development on residential property cannot be overemphasized. Poorly selected and uncontrolled it can drive away the kind of residential construction which was so helpful during the five-year period covered by this report. It is only through far-sighted planning on the part of the community that harmony between industrial and residential developments can be achieved. Readiness to accept the proposals of quick-buck promoters who prey on a community which hopes to have its cake and eat it too, has been responsible for the downfall of many communities like Andover.

C. Tax Gains from Industry

The Town's records of costs do not provide for allocation of the costs to residential property and to industrial and commercial properties. It is not possible, therefore, to determine, with certainty, the extent to which current industrial and commercial properties are aiding the Town in carrying the costs, and what effects they may have on the break-even point for residential properties. However, the Federal Reserve Bank of Boston

has published in its New England Business Review of September, 1956, a table of general experience which can be applied in any town for an approximate evaluation of the extent to which industry helps carry the tax load in that town. Both Mr. Wheeler and Professor Greeley feel that the Table represents good averages of percentage change in tax rates as they are affected by varying degrees of industrial development. Specific developments could result in somewhat higher or lower returns depending upon local conditions, but the table presents good averages. It is reproduced on the next page.

This table can be used to estimate the tax gains Andover is getting and will get even though the actual rates in the table do not apply directly. The assumed assessed valuation in the table is not at 90% as it is in Andover. However, the percentage change in tax rate with the introduction of industry is the same regardless of the ratio of assessed valuation to market value.

In compiling its Table, the towns were divided according to residential assessment level of the towns into High Valuation Houses, Medium Valuation Houses, and Low Valuation Houses. They were further divided according to the number of services provided in the towns into High Level Service, Medium Level Service and Low Level Service.

A third breakdown was then made by density of population because capital expenditures vary some with density of population. The towns were divided into low, medium and high densities. The Table also then related the effects of small, medium and large industrial districts on each of the various types of towns.

In the Table, Andover lies between the Medium and High Valuation categories, provides Medium Level Services and has a low Population Density in the new residential areas.

Referring to the table, a town, such as Andover but in the Medium Valuation class, would go from a rate index of 53 to a rate of 51 when going from no industry, column 1, to a Medium Industrial District, column 3, (which the Committee believes is the present situation in Andover). This is a drop in tax rate of 3.8%. At the High Valuation Level the change would be from 36 to 35 or a drop in the tax rate of 2.8%. A good average figure which would be reasonably representative of Andover is 3.3%. This is the approximate saving in Andover resulting from the current industrial development of the Town. It is not a startling reduction and indicates that, in general, housing and commerce, as distinguished from industry, are practically supporting themselves at present in Andover.

To test the reasonableness of this computation the Committee obtained from the Assessor's Office the total assessed valuation of industrial property, including personal property associated with it. This comes to slightly less than \$6,000,000. At the current tax rate of \$26, this brings in \$156,000 of tax revenue. Total current assessment of the Town is \$88,500,000. At the current tax rate, the net revenue from industry would be 3.3% of the total tax revenue or \$76,000. This is half of the gross revenue from industry and the Committee believes that it isn't unreasonable to assume that at least half of the tax revenue obtained from industry is used to cover Town costs associated with industry.

EFFECTS OF SIZE OF NEW INDUSTRY

| <u>Residential Sector Characteristics</u> | <u>No Industrial Development</u> | <u>Small Industrial District</u> | <u>Medium Industrial District</u> | <u>Large Industrial District</u> |
|---|--|--------------------------------------|---------------------------------------|--------------------------------------|
| <u>High Valuation</u> | | | | |
| High Level Service | | | | |
| Low Density | 41 | 40 | 40 | 39 |
| Medium Density | 43 | 42 | 42 | 41 |
| High Density | 39 | 38 | 38 | 37 |
| Medium Level Service | | | | |
| Low Density | 36 | 36 | 35 | 34 |
| Medium Density | 38 | 38 | 37 | 36 |
| High Density | 34 | 34 | 33 | 33 |
| <u>Medium Valuation</u> | | | | |
| High Level Service | | | | |
| Low Density | 60 | 58 | 57 | 54 |
| Medium Density | 63 | 62 | 60 | 57 |
| High Density | 57 | 56 | 54 | 51 |
| Medium Level Service | | | | |
| Low Density | 53 | 52 | 51 | 48 |
| Medium Density | 56 | 55 | 54 | 51 |
| High Density | 50 | 49 | 48 | 46 |
| <u>Low Valuation</u> | | | | |
| Medium Level Service | | | | |
| Low Density | 62 | 61 | 59 | 56 |
| Medium Density | 66 | 65 | 62 | 59 |
| High Density | 59 | 58 | 56 | 53 |
| Low Level Service | | | | |
| Low Density | 55 | 54 | 52 | 50 |
| Medium Density | 59 | 57 | 56 | 53 |
| High Density | 52 | 51 | 49 | 47 |

Again referring to the table a town such as Andover but in the Medium Valuation class would go from a rate index of 51 to a rate of 48 when going from a Medium Industrial District to a Large Industrial District. This is a change of 5.9%. If the town were a High Valuation town the rate index change would be from 35 to 34, or a drop of 2.9%. Obviously Andover would lie between these two figures, perhaps between 4% and 5%. Based upon the present assessed valuation of the Town and the current tax rate, the 4% figure would mean a net income from new industry of \$92,000. At 5% this net would be \$115,000. Of course, by the time the industrial area is completely developed the assessed valuation of Andover and perhaps the tax rate will be quite different and the net revenue from new industry would also be different. However, these figures give the Town a safe approximation of what it may anticipate in the way of tax relief from industrial development.

This tax relief is, undoubtedly, less than many anticipated. On the other hand it does provide excess revenues which could pay for additional services in the Town or could cover some inflationary pressures in the Town's costs.

It is, of course, possible to point to some special case in which one large employer, by building a very expensive structure and contributing large sums toward the town's capital expenditures generated by his development, gives the town a net revenue proportionately substantially higher than those shown above. However, these instances are so rare that town planning must assume that industrial development will follow a more normal course.

V. Broadening Tax Base

At this time it would be well to point out the danger of using the "Broaden the Tax Base" argument as a panacea for all municipal tax woes. This appears to be a universal cry when tax problems arise, and if followed blindly, can well aggravate, rather than relieve, the difficulties. There are, in general, three sets of circumstances under which a municipality can broaden its tax base; only one is a permanent aid.

1. The tax base can be increased by adding properties which will not affect future development, residential, commercial and industrial, adversely, and which do not require services costing more than the tax return. This is the type of tax base broadening every municipality should and does seek. Future residential construction can remain desirable and the character of the community can be preserved or even enhanced.
2. The tax base can be increased by adding properties which, regardless of their future effects on the community, increase municipal costs beyond the tax return. A careful analysis will determine the disadvantages. Most municipalities would not seek such properties and should attempt to guard against this type of development by careful planning.

3. This is the type of property which offers an immediate net tax return but affects future residential, commercial and industrial construction adversely. This is the insidious type which beckons with an immediate profit, and is apt to blind the community to the ultimate loss. These properties residential, commercial and industrial, can alter the character of the municipality to such an extent that it ceases to attract high-grade development, and ultimately drives the tax rate skyward.

Andover would do well to pause and ask two questions when the cry, "Let's broaden the tax base" arises. Will it provide a net tax return? Will it maintain the character of the Town? If the answer to either is no, broadening the tax base is an illusory benefit. If the answer to both is yes, then, by all means, "broaden the tax base!"

VI. Inducement for High Grade Industry

Fortunately, the problem of attracting high grade industry becomes less complicated when it is realized that the most desirable industries want to locate in towns where high standards are demanded. High Valuation industrial construction costs vast sums of money. Any company setting out to build such a plant wants insurance that it will be protected from loss of value resulting from inferior quality or poorly planned developments in the same area.

Industrial developers have suggested that the following factors, among others, are important in the formulation of standards for industrial development:

1. Traffic and Parking
2. Expansion Possibilities
3. Landscape Treatment
4. Building and Zoning Codes
5. General Community Plan

Andover, its citizens, and its officials, should welcome the knowledge that the reasonable steps they take to protect Andover as a place to live in will be among the most effective inducements for desirable industry to locate in Andover. Quick-buck promoters and other advocates of pell-mell industrial and commercial construction will object. The Committee believes that a thorough and detailed investigation into this field will bear the Committee out. With high grade industrial development the Committee believes the Town will continue to attract medium to high cost housing of the type that has proved so profitable to the Town. This type of industrial and commercial development will contribute a direct tax surplus to the Town without doing violence to its aesthetic qualities which are so fundamental to Andover's value as a place in which to live.

The Committee does not wish to comment on the sufficiency of the present zoning by-laws and building code to accomplish the purpose of attracting high valuation desirable industrial development. It does wish to pass on to the Town a note of warning given to the Committee by Mr. Wheeler. This developer stated that a number of towns in the Boston area which believed that their by-laws gave them the necessary protection found, to their chagrin and when it was too late, that this was not so. The results were unsightly and blighted industrial areas. The Andover codes may very well be adequate but, in the light of this warning, the Committee urges a review to make certain.

VII. The Planning Board

In growing communities in Massachusetts, the planning boards usually find themselves buried under a mountain of work. Such boards are given many detailed regulatory duties under Massachusetts law in addition to the design of broad plans to direct the orderly community growth. Approval of sub-division, for example, is by itself a time-consuming task. Many planning board members, no matter how civic-minded, find it impossible to devote much time to anything else. With the increasing degree of urbanization, planning can be a very complex matter. It embraces zoning, comprehensive planning, industrial development, urban renewal, traffic and road planning and a score of other matters.

Andover has been fortunate to have a very active Planning Board, which has been for years responsible for guiding the physical growth of the community. From time to time, planning consultants have been engaged for special services; A Zoning Ordinance was adopted in 1936; the Comprehensive Master Plan was prepared in 1955-1956. At present, the firm of Adams, Howard and Greeley is updating the Comprehensive Master Plan. Prof. Greeley of this firm informed the Committee that intermittent updating of the Master Plan for Andover is inadequate.

When asked how the Andover Planning Board could best serve its prime function as a policy-making body and, at the same time, comply with the other duties imposed by law, Professor Howard said, "Get rid of us and provide your Planning Board with a full-time planning staff. A client of mine, a town of 13,000 has done this, and it has worked out well for the town."

Andover has a population of 16,000 and is a rapidly growing community. The Greater Boston Economic Study projects a growth of 4,000 people for Andover by 1970. The Committee believes that there is a definite need for a full-time planning staff. This is particularly important when industrial and commercial growth is anticipated.

Finally, the Committee recommends that the Board review proposed streets, green areas, industrial parks, sub-divisions, facilities, etc. (as permitted under the general provisions relating to Planning Boards in the General Laws, Chapter 41, Sections 81B through 81I and other provisions pertaining to these sections), and prepare a detailed development plan of the Town for submission to the Town Meeting. If approved, it then becomes legally binding upon all future developments. The streets must be laid out, housing placed and facilities provided as shown, etc. to assure orderly and desirable development of the Town, thus permitting expansion while at the same time retaining the fundamental characteristics of the community.

VIII. Subjects for Further Research

During the course of our study, it became obvious that additional research in several areas having definite bearing on costs and tax revenues is needed. These are the effects of new business, personal property, multi-family units, and green areas.

1. Effects of New Business: Has new housing in Andover resulted in substantial increases in new business which, in turn, contributes a net tax gain to the Town? If there has been such a gain, then this would indicate that new housing has resulted in yet additional blessing for the Town.

As a corollary, are the zoning and building codes for commerce and business adequate to assume retention of the character of the town?

2. Effects of Personal Property: A comparison should be made between personal property taxes paid by residents of new houses and those paid by residents of old houses. Some studies in areas comparable to Andover indicate new housing results in an increase of tax revenues from personal property. For example, there are more two-car families, valuable appliances, etc. for new houses. If this is true for Andover, this would mean another valuable source of revenue for the Town.
3. Effects of multi-family units: A careful study of the effects of apartments and multi-family units in Andover should be undertaken. It would be desirable to find out whether in Andover, and comparable towns, apartment units improve, blight or have no effect on the neighborhoods in which they are located. The study should also show whether apartment units contribute more or less in costs than in revenues, directly or indirectly.
4. Effects of green areas: It should be determined whether green areas such as golf courses, parks and reservations have acted as inducements to builders of medium to high cost houses. If so, perhaps greater efforts should go into reserving and creation of such areas in Andover.

These questions cannot be answered from the information the Committee now has available. They are, however, questions worth answering. It is hoped that some group, official or unofficial, will undertake the research.

Respectfully submitted,

Henry M. Wolfson

HENRY M. WOLFSON

for

the Committee for the Study
of Municipal Costs Arising
from New Housing

Chairman - Henry M. Wolfson
Vice-Chairman - William B. S. Leong
Secretary - Arthur L. Harper, Jr.

Members - Arthur W. Ermer
- Robert M. Henderson

APPENDIX I

ARTICLE 37. To see if the Town will vote to instruct the Moderator to appoint a committee of five members; one to be an accountant, one to be an engineer, one to be a lawyer, one to be engaged in planning, and the fifth to be engaged in finance; to study what new housing is costing and may be expected to cost the Town, in the way of new or expanded Town services and facilities, and the probable effect of such cost upon the tax rate; by means of already existing information obtained from Town Boards, Departments, or Committees, or from any other source outside of the Town records; and to ascertain from other committees, so far as is feasible, what steps have been taken to control such costs and their effect on the tax rate; and to report upon its findings to the Board of Selectmen at or before the next Town Meeting. Provided, however, that the consideration of drainage be excluded from the scope of this Article, on petition of Harold R. Rafton and others.

As required by the above article, an engineer, a city planner, an attorney, an accountant and a man experienced in financial matters were appointed to the Committee by the Moderator. Mr. Henry M. Wolfson of 146 Argilla Road, Andover, who was elected Chairman of the Committee, is a registered engineer. Also appointed was Mr. William B. S. Leong of 191 Shawsheen Road, Andover. Mr. Leong was elected Vice-Chairman of the Committee and is a city planner. Mr. Arthur L. Harper, Jr., of 23 Bartlet Street, Andover, was the attorney appointed to the Committee and he was selected by the group to serve as Secretary. Mr. Arthur W. Ermer of 240 Highland Road, Andover, selected by the Moderator to fill the accountant's position, is a controller. Selected by the Moderator to act as the member qualified on financial matters was Robert W. Henderson of 8 Dumbarton Street, Andover, who is a banker.

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